



INTELLIGENCE
COMMUNITY
POLICY
GUIDANCE
801.1
Technical
Amendment

Acquisition

A. PURPOSE

1. Pursuant to Intelligence Community Directive (ICD) 101, Section G.1.b.(3), Intelligence Community Policy Guidance (ICPG) 801.1, *Acquisition*, is hereby amended.

2. Amendments to this Policy Guidance include the removal of Annexes B through F, which are now presented in Intelligence Community Standard (ICS) 801-01, *Major System Acquisitions*, and edits to Sections H.1, H.3, P.1, P.2, and R.2 to conform this ICPG to current practice.

B. EFFECTIVE DATE: The technical amendment to ICPG 801.1 becomes effective on the date of signature.

Dawn R. Eilenberger 29 January 2015
Assistant Director of National Intelligence for Policy and Strategy Date



INTELLIGENCE COMMUNITY POLICY GUIDANCE 801.1

Acquisition

A. AUTHORITY: The National Security Act of 1947, as amended; and other applicable provisions of law.

B. APPLICABILITY

1. This Intelligence Community (IC) Policy Guidance (ICPG) applies to the IC, as defined by the National Security Act of 1947, as amended, and to such elements of any other department or agency as may be designated an element of the IC by the President, or jointly by the Director of National Intelligence (DNI) and the head of the department or agency concerned.

2. This ICPG applies to all acquisitions for which IC Directive (ICD) 801 is applicable and those "joint programs" as defined in ICD 801 for which the memorandum of agreement (MOA) identifies this ICPG, as applicable. This document implements ICD 801 and provides guidance on management, processes and plans, program reviews and assessments, and workforce development for acquisitions. Annex A defines key terms used in this policy guidance.

C. REFERENCES: The National Security Act of 1947, as amended, Office of Management and Budget (OMB) Circulars A-11 and A-109; Federal Acquisition Regulation; ICD 109, *Independent Cost Estimates*; ICD 801, *Acquisition*; ICD 731, *Supply Chain Risk Management*; and the Intelligence Authorization Act for Fiscal Year 2010.

D. IC ELEMENT POLICY IMPLEMENTATION: This ICPG, in accordance with ICD 801, provides the framework necessary to achieve acquisition excellence throughout the IC. Per ICD 801, each IC element shall create and maintain acquisition and policy guidance for the element. The element's acquisition policy, guidance, processes, and procedures will be structured to address the element's specific and unique circumstances, while complying with ICD 801 and the guidance. The IC element shall conduct acquisitions in accordance with its documented acquisition policy and policy guidance. Milestone Decision Authority (MDA) is expected to tailor policy implementation to enhance the acquisition's ability to move with speed and agility to create effective intelligence capabilities, while delivering capability that meets or exceeds expectations for cost, schedule, and performance.

E. LIMITATION ON JOINTLY FUNDED ACQUISITIONS: Unless specifically appropriated and authorized by Congress, or jointly approved by the DNI and the respective head of a department or independent agency, or their designees, NIP funds will not be used to create an

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acquisition funded partially by the NIP and a non-NIP source without the written approval of the DNI MDA.

F. IC ACQUISITION MODEL (ICAM)

1. The IC acquisition approach will follow the IC Acquisition Model (ICAM) as described in Intelligence Community Standard (ICS) 801-01, *Major System Acquisitions*. Effective systems development requires collaboration among user, tester, acquisition manager, and others. Such collaboration depends on validated and managed acquisition baselines; proactively managed risk, including the appropriate maturation and insertion of technologies; consistent application of acquisition and systems engineering processes and procedures; and well-trained, highly experienced system engineers and acquisition professionals. The ICAM shall be applied to all acquisitions meeting the major system acquisition (MSA) threshold identified in ICD 801 and shall apply to initial developments, recapitalizations, and modernizations, as a minimum.

2. With the prior concurrence of the MDA, the ICAM may be tailored to reflect the specific circumstances of each acquisition. The MDA may authorize entry into the ICAM at any point consistent with milestone criteria.

G. MILESTONE DECISION AUTHORITY

1. MDA is delegated and exercised as described in Section D of ICD 801. It is the goal of the DNI to decentralize MDA for MSAs to the maximum extent practicable. An IC element may request delegation of MDA for any acquisition by submitting a written request to the DNI MDA. An IC element may request delegation of MDA whenever an acquisition is identified that meets, or is projected to meet, the MSA threshold.

2. MDA delegation reviews, as described in Section D of ICD 801, shall be conducted annually. The results of the reviews, along with the specific recommendations for delegation shall be documented and provided to the DNI MDA, except that with respect to NIP-funded acquisitions executed within the Department of Defense (DoD), the DNI MDA shall act jointly with the Secretary of Defense (SecDef) or designee. When an IC element requests that MDA be delegated to the IC element, with authority to further delegate, the IC element shall identify a functional position and establish that this functional position has sufficient authority and capability to accomplish the acquisition objectives for development, production (if appropriate), deployment, and sustainment.

3. A key challenge for the MDA is to ensure a balance between the agility and discipline of the acquisition process. Cost, schedule, and performance are interdependent and, if not managed as such, can hinder the timely delivery of needed capabilities through unrealistic pursuit of any one factor in isolation. If, in the judgment of the MDA such a situation exists, the MDA should undertake action as necessary to restore balance. To the extent that Required Performance Metrics (RPMs) validated by the Principal Deputy DNI (PDDNI) must be deferred to achieve the appropriate cost/schedule/performance balance in the acquisition, the PDDNI shall be informed of and must approve the requirements to be deferred, the rationale for the deferral, and the recovery plan for eventual satisfaction of the deferred requirements before the changes are made to the acquisition. Should the PDDNI not validate the requirements changes, the MDA may continue an acquisition, but must document the rationale for continuing the acquisition and the new baseline in an Acquisition Decision Memorandum (ADM) and provide a copy to the PDDNI and the Assistant DNI for Acquisition, Technology, and Facilities (ADNI/AT&F).

a. National Intelligence Acquisition Board (NIAB): The principal forum for executing the DNI's acquisition authorities shall be the NIAB. The use of the term "NIAB" shall be construed to mean the Joint Intelligence Acquisition Board (JIAB) whenever the acquisition is a joint program as described in paragraph D of ICD 801. The composition of the NIAB shall be as identified in ICS 801-01, Appendix B, Table B-1. The DNI MDA will chair the board. The NIAB shall be convened for all milestone decisions when the Office of the DNI (ODNI) is directly exercising MDA, and as needed for other matters that the DNI MDA deems appropriate. ICS 801-01, Appendix C, Table C-1, establishes the nominal milestone documentation requirements, but the NIAB chair may establish additional milestone criteria, on a case-by-case basis, to address the specific circumstances of the acquisition. The milestone decision process will build on the processes of the IC element that is executing the acquisition and shall conclude with a decision briefing to the NIAB. The decision briefing shall include the results of the Independent Program Assessment (IPA) (paragraph J). Within 45 days of the successful completion of a milestone review, the MDA shall publish an ADM that documents the milestone decision and any special circumstances, liens, or waivers granted by the MDA. The ADM shall be distributed to all members of the NIAB.

(1) When MDA for an acquisition has been delegated from the ODNI to an IC element, the IC element head or their designee shall chair an IC element milestone decision forum in accordance with the acquisition policy of the IC element. The members of the NIAB shall be invited in writing at least two weeks in advance whenever an IC element milestone decision forum is scheduled and, if they, or a designee, choose to attend, shall be given the same authorities and prerogatives in the IC element milestone decision forum as if they were IC element members of the forum. The IC element milestone decision forum chair may invite other personnel from the IC element or other IC organizations to serve as advisors. The IC element MDA, as chair, shall ensure that all responsibilities of the NIAB are fulfilled.

(2) An IC element may request, or may be directed by the DNI MDA or IC Senior Acquisition Executive (SAE), to provide a program status briefing to the NIAB or JIAB.

b. Joint Intelligence Acquisition Board (JIAB): When the acquisition under consideration is a joint program and is covered by a jointly signed MOA as described in paragraph D of ICD 801 (or a memorandum of understanding, if appropriate), the NIAB shall be formed as a JIAB and follow the same process unless determined otherwise by the MOA. ICS 801-01, Appendix B, Table B-2 provides the nominal membership of the JIAB, which can be tailored, as needed, and is documented in the MOA for the joint program. For NIP-funded programs executed within DoD, the JIAB will be co-chaired by the DNI MDA and the SecDef MDA designee and have nominal membership (see ICS 801-01, Appendix B, Table B-2).

H. PROGRAM MANAGEMENT PLANS (PMPs)

1. In accordance with Section D of ICD 801, all NIP-funded MSAs shall have a PMP. The MDA for the MSA shall approve each PMP. The ADNI/AT&F, in consultation with the IC Chief Information Officer (CIO) for Information Technology (IT)-related acquisitions, will periodically review performance against the PMP for each MSA principally through the IC element Quarterly Program Review (QPR). A PMP shall be completed or revised, as appropriate, within 30 days of the MDA publishing an ADM. A copy of each PMP shall be provided to the ADNI/AT&F within two weeks of signature of the original version or any revised version. In addition, for other NIP-funded acquisitions, an appropriately tailored PMP

provides a well-established baseline for use by the DNI to monitor the implementation and execution of the NIP per the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004.

2. The contents of each PMP shall comply with Section D of ICD 801, and shall also include a staffing plan for all key acquisition positions and required certification levels in accordance with the DNI's authority to establish requirements for education, training, and career development. The IC element shall ensure each PMP is current prior to the conduct of a QPR or a milestone decision event and shall identify at the next QPR any changes in the PMP including, among others, deviations from the DNI Cost Analysis Improvement Group-endorsed Independent Cost Estimate (ICE) or the President's budget. The initial baseline and all changes over time in cost, schedule, and performance goals shall be maintained in the PMP together with the reasons for any changes. When conditions internal or external to the acquisition both contribute to the baseline change, all internal conditions that contribute to the baseline change must be cited, in addition to the external conditions. ICS 801-01, Appendix D, provides a description of the program information to be included in each PMP. The PMP may be tailored to fit the particular conditions of a given acquisition, but must still comply with applicable statutes, regulations, and DNI policy and guidance.

3. The IC element shall notify the DNI MDA and the ADNI/Chief Financial Officer (CFO) in writing whenever the acquisition cost is projected to exceed the PMP cost baseline within 30 days of recognition. When the MDA has approved a baseline, as documented in an ADM, that baseline shall be reflected in the PMP within 30 days of the date of the ADM. If the baseline replaces an existing baseline, the PMP shall continue to document all previous acquisition baselines, as well as the new baseline and the reason(s) for the change.

4. Each IC element shall provide an IC element PMP listing to the DNI MDA on 1 October annually. The IC element PMP listing shall list all MSAs; identify those acquisitions that fully comply with this ICPG and any ADNI/AT&F instructions; and indicate whether the progress made on each acquisition is consistent with its PMP.

I. ACQUISITION FORUMS

1. IC Acquisition Council (ICAC): The ICAC is the forum for IC elements to share information of common concern and discuss issues with the IC SAE and each other and to address other acquisition matters, as appropriate. The ICAC may address topics such as acquisition policy, processes, procedures, current issues, and other related topics. The ICAC is chaired by the IC SAE and consists of the acquisition representatives from each IC element, along with representation from the Office of the SecDef. The ICAC will nominally convene on a quarterly basis or another basis as announced by the IC SAE. The chair will solicit input from the members and shall determine an appropriate meeting date, agenda and location.

2. Quarterly Program Review: The ADNI/AT&F will conduct a QPR, occurring nominally every 90 days to assess the progress of each IC element's portfolio of major system acquisitions. For wholly NIP-funded MSAs executed within DoD, the DoD MDA, or designee, will be invited to participate in the QPR. The IC SAE will provide a QPR guidance memorandum, including any special interest topics, to the IC element at least two weeks before the QPR. In addition to the special interest topics identified in the QPR guidance memorandum, each IC element shall discuss for each acquisition: the status of each acquisition regarding cost, schedule, and performance, including any deviations or anticipated deviations from each acquisition's PMP; IC

enterprise architecture compliance per Section 102A(g) of the National Security Act; risk assessments and risk mitigation including security/counterintelligence (CI) risks; any dependencies on other internal or IC element acquisitions; a three- to six-month look-ahead; and an acquisition manager's assessment. The IC element also shall identify any areas of special interest, concern, and/or attention across the IC element's acquisition portfolio of which the DNI MDA should be aware. Read-ahead copies of all materials shall be provided to the ADNI/AT&F at least three business days prior to the scheduled QPR date.

3. **Special Program Review (SPR):** An SPR is a review with the same content, attendance, and approval process as the most recently completed milestone review, but at a time other than a usual milestone review as defined in the ICAM. An SPR shall be convened whenever the MDA believes the acquisition baseline, as documented in the PMP, may require modification. An SPR is conducted by the NIAB (JIAB for a joint acquisition) or by the IC element milestone decision forum for a MSA for which MDA has been delegated to the IC element. Whenever the current cost, schedule, or performance baseline, as documented in the PMP, is found to be unachievable by the DNI MDA, the DNI MDA may direct the IC element to conduct an SPR. For acquisitions for which MDA has been delegated to the IC element, the IC element MDA may convene an SPR at any time. If the MDA approves a change to the acquisition baseline as a result of an SPR, the baseline shall be documented in the same manner as specified in the NIAB paragraph herein. Often, the SPR will encompass the end-to-end aspects of multi-IC element acquisitions and could include a review of several interdependent acquisitions. When multi-IC element topics are addressed, the NIAB or JIAB will be expanded to include, as advisors, each IC element head and an acquisition expert designated by the element head.

J. ASSESSMENT: Independent Program Assessment (IPA): The policy guidance for each IC element executing NIP-funded MSAs shall include written procedures for the conduct of an IPA. Prior to convening a NIAB, a JIAB, or an IC element acquisition decision board for MSAs with delegated MDA, or when directed by the DNI MDA or the IC element MDA, the IC element executing the MSA shall conduct an IPA in accordance with the IC element's documented process for an IPA. The term "independent," in the context of an IPA, means that the conduct, report, and conclusions of the IPA, are unaffected by the management structure of the agency conducting the acquisition. The IPA's recommendations and findings will advise the MDA(s) on the program's readiness to advance into the next acquisition phase and on any other topics chosen by the MDA(s). The IPA's recommendations and findings shall be presented to the MDA at the NIAB or JIAB (or IC element acquisition decision board in the case of delegated acquisitions), prior to the MDAs decision. If the MDA disagrees with the results of the IPA, the points of disagreement and related rationale shall be incorporated into the permanent record of the milestone review or documented separately if the IPA is convened outside a milestone review. In support of the IPA, the acquisition manager shall provide access to all other information requested by the MDA, the IPA team, and the ADNI/AT&F. An IPA shall include an independent technology maturity assessment (TMA) as an integral and integrated part of the IPA (See ICS 801-01, Appendix E, for additional information on IPAs).

K. ACQUISITION DEPENDENCIES AND KEY ASSUMPTIONS: A dependency exists when one acquisition requires a service or capability from another acquisition or program. A dependency is a "major dependency" when the acquisition that is dependent cannot meet one or more of the RPM threshold values in its PDDNI-validated requirements document without the dependency being satisfied. Examples of dependencies include: providing or requiring more of

the RPM threshold values in its PDDNI-validated requirements document without the dependency being satisfied; providing or requiring communications; hosting a sensor on a platform; providing a sensor for integration on a platform; providing or requiring a computer “environment” to host a computer-based application; providing or requiring facility space, power, cooling, water, etc.; and other equivalent situations. Nothing herein modifies the ICD 109 policy requiring that acquisitions be fully funded to their ICE.

1. Restrictions on Creating NIP-Funded Acquisitions that are Dependent on Non-NIP-Funded Acquisitions: A NIP-funded acquisition that has a major dependency on an acquisition funded by a non-NIP source may not begin a new ICAM phase, and the MDA for Milestone B shall not authorize the acquisition to continue, without the DNI MDA’s written approval. DNI MDA approval to proceed with the acquisition will require the NIP-funded acquisition to establish that the non-NIP-funded acquisition is fully funded to meet the dependency to the NIP-funded acquisition or that a solution exists to permit the NIP acquisition to be viable.

2. Restrictions on Creating NIP-Funded Acquisitions that Support Non-NIP-Funded Acquisitions: When a non-NIP-funded acquisition requests a NIP-funded acquisition to increase quantity or performance above PDDNI-validated requirements, an MOA must be signed by the IC element conducting the NIP-funded acquisition and the cabinet-level department or independent agency conducting the non-NIP-funded acquisition. The MOA shall identify, at a minimum, the increase in capability to be provided by the NIP-funded acquisition together with the non-NIP budget to be transferred to fund the capability. The Milestone B exit criteria for a NIP-funded acquisition shall include, in addition to all other criteria, a DNI MDA signature on the final MOA between the parties.

3. Inter-IC Element MSA Major Dependencies: Inter-IC element MSA major dependencies shall be explicitly identified as a part of each IPA and/or milestone decision event. Such major dependency identification shall explicitly include an MOA between the IC element conducting the MSA and the provider of each dependency stating that the fulfillment of the dependency is within the program baseline of the provider. This MOA shall include at a minimum: the scope of the end-to-end program; the roles and responsibilities of each participating IC element; the cost sharing arrangement; and the inter-IC element management plan for the end-to-end program. For an inter-IC element major dependency, an Interface Specification, or equivalent, that is jointly controlled by all parties to the dependency shall be considered an MOA if it otherwise meets the MOA criteria herein. If an MSA is unable to obtain the needed MOA from any major dependency provider, the fulfillment of that major dependency shall be included as a part of the PMP and explicitly included in all cost estimates, including ICEs, for the MSA. The major dependencies shall be satisfied in the most cost effective manner consistent with IC-wide architecture plans and typically involve the evolutionary expansion of existing capabilities/ systems versus using new developments to satisfy the major dependency. The schedule portion of the PMP shall explicitly identify all acquisition dependencies, and the status of these dependencies shall be discussed at each QPR.

4. Key Assumptions: A key assumption is an assumption that if not correct would result in an acquisition failing to provide a significant functional capability and/or failing to meet an RPM. At each acquisition milestone review or acquisition design review, the IC element acquisition manager shall re-evaluate the key assumptions on which the acquisition is predicated and indicate whether they are still valid. If key assumptions are no longer valid, the acquisition manager shall identify the effect of the invalid assumptions on the overall acquisition and risk

posture and identify and categorize any new assumptions that are inherent in the acquisition as part of the review. At a minimum, this re-evaluation of key assumptions shall include, to the extent they exist: assumptions relative to the operational environment; “target characteristics”; the organization/management structure and its commitment to the acquisition; the availability of key suppliers; and the availability of any special or unique materials.

L. ARCHITECTURAL COMPLIANCE, INTEROPERABILITY, AND DATA

SHARING: For NIP-funded, IT-related MSAs, the IC CIO will issue separate policy and guidance regarding the IC enterprise architecture, including appropriate standards, protocols, and interfaces. NIP-funded, IT-related MSAs shall use the policy, forums, reviews, assessments, and milestone decision processes described herein.

M. TECHNOLOGY MATURITY ASSESSMENT (TMA): Technology maturity within an acquisition shall be appropriate for the acquisition phase (see paragraph F., ICAM). The acquisition policy guidance created by each IC element executing NIP-funded MSAs shall include written procedures for the conduct of a TMA. An IC element shall sponsor a TMA when requested by the DNI MDA, or for NIP-funded acquisitions executed within DoD when requested jointly by the DNI MDA and the SecDef, or designees. The report of such a review shall be provided in writing to the MDA(s).

N. SYSTEMS ENGINEERING: Systems engineering in the IC acquisition environment, to the greatest extent possible, shall use the systems engineering processes and standards established by recognized systems engineering accrediting organizations. Such accrediting organizations may include, among others: the Carnegie Mellon Software Engineering Institute and the associated Capability Maturity Model Integration for systems engineering; the Project Management Institute and its program for systems engineering; or the International Council on Systems Engineering and its systems engineering practices and standards. As appropriate, existing international, U.S. government, and/or commercial processes and standards may be included as an integral element of a systems engineering plan.

O. COUNTERINTELLIGENCE (CI) VULNERABILITIES: CI vulnerabilities and related considerations are significant concerns in the design and development of acquisitions in the IC and shall be proactively addressed in all ICAM phases of an acquisition. IC elements shall conform to ICD 731. The National Counterintelligence Executive or as appropriate, the IC element counterintelligence staff, shall be consulted in assessing CI risks and evaluating potential CI mitigation approaches for IC acquisitions.

P. ACQUISITION WORKFORCE

1. The IC acquisition workforce consists of personnel in acquisition and related fields such as, but not limited to, systems engineering, contracts management, and acquisition management. The IC acquisition workforce will be managed consistent with ICPG 801.3, *Acquisition Workforce*.

2. An acquisition workforce summary shall be included at each QPR. This summary shall include at a minimum, a listing of all MSAs at the IC element, the key acquisition positions for each MSA, whether each position is occupied, and whether the person occupying each of those positions fully meets the requirements of the position.

Q. ACCESS TO INFORMATION: In support of the DNI’s IRTPA requirement to monitor the execution of the NIP and implement his acquisition authorities, each IC element executing a

NIP-funded acquisition shall make all information regarding that NIP-funded acquisition available to the DNI MDA, the ADNI/AT&F, and the ADNI/CFO, as requested. For the purposes of this section, access to information includes all necessary accesses to compartmented, special handling, special access, and similarly designated acquisition-related information.

R. TECHNOLOGY INITIATIVES

1. Acquisition managers for NIP-funded MSAs must account for any technology being inserted into their NIP-funded MSAs, to include selecting technical solutions appropriate for validated requirements and transitioning the technical solutions into systems when they have achieved maturity. This linkage will be addressed periodically as a special topic at the IC element QPR. IC elements shall identify the linkage between their science and technology (S&T) or advanced research and development efforts and MSAs by specifically identifying which technology will transition to specific MSAs and when that transition will occur.

2. IC elements will ensure that S&T demonstrations, proofs of concept, or risk reduction efforts (hereinafter, all such efforts are referred to as S&T demonstrations) are focused on the intended purpose of demonstrating technology viability and utility and that such demonstrations are limited in terms of funding and longevity. An S&T demonstration that meets or exceeds the MSA funding threshold for the total development/enhancement, operations, sustainment, and disposal shall be compliant with all acquisition policies, policy guidance, and standards. An S&T demonstration that is not an MSA shall remain fielded only for the time necessary to establish that the demonstration objectives have been satisfied unless the DNI MDA grants an exception. IC elements shall transition those S&T demonstrations exhibiting operational utility beyond what was originally anticipated into acquisitions that are managed within the ICAM. This transition process will ensure that deployed capabilities meet validated user requirements and that lifecycle considerations are factored into the development and deployment of these capabilities.

S. EFFECTIVE DATE: This Policy Guidance becomes effective on the date of signature.

//signed// David R. Shedd
Deputy Director of National Intelligence
for Policy, Plans and Requirements

12 July 2007
Date

ANNEX A: DEFINITIONS

Intelligence Community (IC) Element: As defined in ICD 801, Annex A.

Joint Programs: As defined in ICD 801, Section D.

Milestone Decision Authority: As defined in ICD 801, Annex A.

National Intelligence Program (NIP)-Funded: As defined in ICD 801, Annex A.

NIP-Funded Acquisition: As defined in ICD 801, Annex A.

Acquisition Manager: The designated individual with responsibility for and authority to accomplish acquisition objectives for development, production, and sustainment to meet validated user requirements. The acquisition manager, through the acquisition agency management structure, reports the status of cost, schedule, and performance to the MDA and ensures that those reports are fully accurate and complete.